

### **Editorial: Benefits of Free Trade Expand Under CAFTA**

The road to free trade runs through San Antonio. Watch the line of trucks on Interstate 35, look at the \$800 million Toyota plant rising in our city, and you'll understand the promise of expanding markets and foreign investment.

President George H.W. Bush first proposed the idea of a hemispheric free trade zone extending from the arctic shores of Canada to Tierra del Fuego, Argentina. President Bill Clinton formalized the first step toward this goal with the implementation of the North American Free Trade Agreement in 1994.

Now President George W. Bush wants to take the next step by establishing a free trade market with the five nations of Central America — Costa Rica, El Salvador, Nicaragua, Honduras and Guatemala — and the Dominican Republic.

Collectively, the CAFTA nations represent the second-largest export market for U.S. goods in Latin America and the 13th-largest worldwide, valued at more than \$15 billion in annual trade. A study by the U.S. Chamber of Commerce puts Texas' share of that trade at \$2 billion.

Opponents and proponents of free trade can manipulate economics to produce numbers to support their differing views. In the end, though, opponents of free trade offer no meaningful alternative.

In a world increasingly defined by regional trade blocs, the United States and its hemispheric neighbors can join for their mutual benefit, or they can persist in protectionist ways that benefit narrow interests while giving Asian and European competitors a global economic advantage.

Besides the economic benefits of increased trade, rising employment, lower consumer prices on imports and easier access for U.S. exports, CAFTA carries with it two important benefits.

First, it will give the United States leverage on labor and environmental issues in the CAFTA nations where none currently exists. Second, it rewards the progress of these emerging democracies and strengthens the movement toward political and social reforms necessary for them to succeed.

The language of winners and losers frequently defines trade agreements, with one party claiming disproportionate benefits at the expense of others. With CAFTA, everyone wins — Texas and San Antonio more than most.